

**DEPARTMENT OF LOCAL GOVERNMENT FINANCE
INDIANAPOLIS, INDIANA 46204**

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COMMISSIONER
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***State offers relief option for schools faced
with transportation funding crisis***

The State of Indiana's Department of Local Government Finance (DLGF) announced that 39 school corporations would be offered an option for relief from a funding crisis that caused some school districts to face the choice of eliminating school bus transportation for many students or charging students for the bus services they have been provided for years.

As a result of legislative changes in the last two legislative sessions, many public school transportation operating fund budgets have been significantly reduced for 2004. Absent relief, school districts that lack funds to transfer to the transportation-operating fund might have to shut down or severely limit their transportation program.

"These legislative changes were not intended to cause the elimination of essential services," DLGF Commissioner Beth Henkel said. "It is our hope that these temporary adjustments will provide short-term relief for those districts facing the probability of eliminating essential transportation services."

The DLGF has authority to make temporary adjustments to the tax unit maximum levy to avoid shortfalls that would have the unintended consequence of eliminating essential services and programs.

Of the State's 294 school corporations, 68 applied (two subsequently withdrew) to the DLGF for a temporary transportation operating fund adjustment for 2004 pay 2005.

The Department, in conjunction with the State Budget Agency, examined several criteria to determine eligibility. Those criteria included:

- 1) loss of more than .80 percent of total budget due to the loss of the state transportation grant;
- 2) loss of more than 14 percent of the total transportation budget because of the loss of the state transportation grant; or
- 3) actual operating budget loss when the transportation grant is subtracted from the increase in '04 over '03 tuition support.

Every school corporation that met one or more of the above criteria received relief in the appropriate amount. (A list of those school corporations and the amount of relief each is eligible to receive, based on current data, is attached.) If they so choose, qualifying school corporations that demonstrate significant need may levy up to the lost state support, taking into account any operating balances in funds that could be transferred.

“Locally elected school boards have a clearer understanding of the needs of their schools, counterbalanced against the concern for increased costs,” Henkel said. “School officials will need to weigh the need for safely transporting students against the potential increase in local property taxes.”

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School Corporations Granted the Option of Relief

School Corporation	Maximum relief
ALEXANDRIA COMMUNITY SCHOOL CORP	\$79,638
BLOOMFIELD SCHOOL DISTRICT	\$70,502
BROWNSTOWN CENTRAL COMM SCH CORP	\$103,153
CLOVERDALE COMMUNITY SCHOOLS	\$147,561
DECATUR COUNTY COMMUNITY SCHOOL	\$157,996
EAST WASHINGTON SCHOOL CORP	\$209,005
EASTERN SCH DIST OF GREENE COUNTY	\$199,271
ELWOOD COMMUNITY SCHOOL CORP	\$85,944
FLAT ROCK-HAWCREEK SCHOOL CORP	\$100,128
FRANKTON LAPEL	\$158,608
HANOVER COMMUNITY SCHOOL CORP	\$181,959
JENNINGS COUNTY SCHOOL CORP	\$532,068
KNOX COMMUNITY SCHOOL CORP	\$125,286
LAKE RIDGE SCHOOLS	\$292,583
LAKE STATION COMMUNITY SCHOOLS	\$120,900
M S D DECATUR TOWNSHIP	\$426,523
M S D SHAKAMAK SCHOOLS	\$84,753
MITCHELL COMMUNITY SCHOOLS	\$168,576
MONROE CENTRAL SCHOOL CORP	\$106,007
NINEVEH-HENSLEY-JACKSON UNTD SCH	\$127,455
NORTH JUDSON-SAN PIERRE SCH CORP	\$176,828
NORTH MIAMI COMMUNITY SCHOOLS	\$117,081
NORTHEASTERN WAYNE SCHOOLS	\$113,802
NORTHERN COMMUNITY SCH TIPTON CO	\$63,854
NORTHERN WELLS COMMUNITY SCHOOLS	\$144,359
NORTHWESTERN CONS SCHOOL CORP	\$100,829
PENN-HARRIS-MADISON SCHOOL CORP	\$388,268
SALEM COMMUNITY SCHOOLS	\$101,353
SHENANDOAH SCHOOL CORPORATION	\$123,539
SMITH-GREEN COMMUNITY SCHOOLS	\$80,898
SOUTH HENRY SCHOOL CORP	\$66,715
SOUTH MADISON COMMUNITY SCH CORP	\$273,875
SOUTH PUTNAM COMMUNITY SCHOOLS	\$147,327
SOUTH RIPLEY COMMUNITY SCH CORP	\$139,195
SPRINGS VALLEY COMM SCHOOL CORP	\$52,199
SUNMAN-DEARBORN COMM SCH CORP	\$366,818
TURKEY RUN COMMUNITY SCHOOL CORP	\$37,795
UNION-NORTH UNITED SCHOOL CORP	\$87,900
WEST WASHINGTON SCHOOL CORP	\$125,076